

ABSTRACT OF THE DISCLOSURE

The invention is a system and process for inducing collaboration among buyers, sellers and third party suppliers by having participants establish favorable financial consequences for one or more other participants who are motivated to achieve or exceed a minimum level of performance on one or more key performance indicators. It is particularly beneficial because it enables any participant in a supply community to cost-effectively collaborate in gainsharing efforts with many other participants contemporaneously. Contrary to the gainsharing practices in labor remuneration and one-on-one buyer/seller business arrangements, gainsharing in this development can be practiced by many participants (partners) with many other participants (other partners) in a most cost-effective manner. Individual contracts are not required since each sponsoring or participating partner has accepted the same policy and procedures agreement when becoming a member in the web-site application significantly reducing the effort required to initiate a program. Data collection, key performance indicator generation and reporting are all standardized. Credit/debit reconciliation is automated. The productivity gains enable the partners to initiate and execute incentive programs with many partners, not just the most significant. This novel capability provides the potential for entire markets to move toward the highest value aggregated state rather than toward a lower value state defined by the cumulative highest value states of sub-optimized buyer-seller dyads.